

**Report on Audit of Billing System
Internal Controls**

November 2001

Reference Number: 2002-1C-015

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

INSPECTOR GENERAL
for TAX
ADMINISTRATION

November 10, 2001

MEMORANDUM FOR DAVID A. GRANT
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

A handwritten signature in cursive script, reading "Pamela J. Gardiner".

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Report on Audit of Billing System Internal Controls
(Audit #200210002.006)

The Defense Contract Audit Agency (DCAA) examined the contractor's billing system as of September 19, 2001, to assure that the system of billing controls is adequate to provide billing costs that are reasonable, as well as compliant with applicable laws, regulations, and contract terms and is subject to applicable financial control systems. The DCAA also evaluated the contractor's compliance with the system's internal control requirements. The DCAA examination specifically tested the billing system's internal control procedures associated with the following control objectives: Management Reviews; Policies and Procedures; and, Implementation of Policies and Procedures.

The DCAA opined that the contractor's billing system and related internal control policies and procedures are adequate. Test procedures were applied from January 2001 to September 2001.

The information in this report should not be used for purposes other than that intended without prior consultation with the Treasury Inspector General for Tax Administration regarding its applicability.

If you have any questions, please contact me at (202) 622-6510 or Daniel R. Devlin, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs), at (202) 622-8500.

Attachment

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 USC 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

The TIGTA seal has been removed due to its size.